

hvac Challenge



looking ahead

Single Women and the Home Buying Market

An increasing number of career-minded females are discovering the tax advantages of owning their own homes, according to Jackson W. Goss, president of the Investors Mortgage Insurance Company (IMIC), Boston. An IMIC study revealed that statistics for 1976 indicate that one out of every 16 mortgage loan applicants was female and single, compared to one out of 35 in 1974. Projections for the remainder of this decade point to one out of every 10 home buyer applicants being a single female. The reason for this upward trend, Goss notes, is that increased earning power and increased interest in homeownership has made the single woman as acceptable a mortgage loan candidate as her male counterpart. Some 66 percent of home seeking unmarried distaffers are college educated and fall primarily in the 35-and-under age bracket.

"New Directions"

A new international citizens action organization, "New Directions," aimed at expediting solutions to a wide array of human problems recently began operation. Headquartered in Washington, D.C., the organization is intended to galvanize citizen support and pressures internationally, outside governmental channels, to deal with problems ranging from overpopulation and food shortages to international hostilities and energy development. One of the four main areas of concern, according to Dr. Russell W. Peterson, president and chief executive, is helping the poorest of the world's poor to help themselves through such avenues as reducing population growth, producing more food, improving housing and other community facilities—and through reduction of waste in the affluent societies. Emphasis will also be focused on the protection and enhancement of the environment, reduction of risks of war and violence throughout the world, and the safeguarding of basic human rights.

Urban Technology Systems

According to an article in *The Lamp*, published by the Exxon Corporation, modern technology may be the solution to major problems encountered by many cities in trying to improve services without increasing operating costs. To this end, the Exxon Research and Engineering Company is participating in an experiment—Urban Technology Systems—designed to help cities keep pace with the latest science in many fields. The experiment, supported in part by a grant from Exxon Corporation, involves 27 cities, more than a dozen private research and development companies, universities, government organizations, and the National Science Foundation. Through Urban Technology

Systems, a designated city agent works with company personnel in an effort to solve municipal problems. For example, in Jersey City, Exxon's mathematics, computer and systems division is helping the police design a computerized data retrieval and communications system. Using the system, an officer stopping an automobile for a routine traffic violation will be able to check in less than a minute whether the vehicle has been reported stolen. In the area of energy conservation, Exxon's company engineers recommended a series of modernizations for an old heating plant to conserve fuel in a Jersey City public housing project. While modifications cost approximately \$16,000, updating the plant will save the city an estimated \$40,000 annually on its fuel bill.

Creative Housing for Older Persons

Between 10 and 40 percent of the Nation's one million citizens 65 years of age or older now living in nursing homes or other forms of supervised housing could live independent, self-maintained lives if given the opportunity. One possible solution to this problem is communal living for older persons. Such a project is underway in Washington, D.C. Called "Creative Housing for Older Persons," the project provides rental houses for establishing small households for elderly persons who are capable of taking care of themselves. Each household will consist of four to six residents and will operate independently, with no supervisory or health care personnel on location. The houses will be leased by the project's sponsor, Richmond Fellowship of America, a nonprofit organization that specializes in making living arrangements for persons with special needs. Residents will pay their rent—about \$80 a month—directly to the Fellowship. Early this year, the first four participants in this program—ranging in age from 57 to 90—moved into one of 12 such houses scheduled to open during the next year throughout the city.

Wood Residue Uses Studied

Forest residue such as limbs, tops, rotten or badly deformed trees, and trees killed by insects, fire, or disease represents hundreds of millions of tons of raw materials per year—much of which remains in the forests. In an effort to find possible uses for these remnants, the U.S. Forest Products Laboratory, in Madison, Wisconsin, has set up a program for obtaining industrial energy and chemicals from wood residue. Researchers will develop technology for direct combustion of wood residues as an alternate source for long-term fuel needs. They will also examine the use of residues as an economical raw material for production of the energy chemicals, methanol and ethanol, or for chemicals such as phenol, formaldehyde, and furfural for adhesives manufacture.

hudChallenge

U.S. Department of Housing and Urban Development Carla A. Hills, Secretary

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Page 6: Bell Gardens—a low-income Southern California community—found a solution to juvenile crime through its Youth Services Bureau, instituted in May of 1972. Viewed as a *positive alternative* to crime, the program is considered a model for communities anywhere.



Page 8: Home warranty plans—covering both new and existing homes—differ in key provisions of importance to consumers. Virginia Knauer, Special Assistant to the President, delineates major differences among the *three major* home warranty programs.



Page 20: Reporting on public reactions to questions of growth and no-growth, urban sociologist, Harold Goldblatt, analyzes comprehensive data derived from the National Opinion Research Center's Continuous *National Survey*. What emerges are intriguing data on the public's evaluations of local government.

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Next Month: A look at the role of transportation in urban planning.

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Housing Counseling Today

by Ina B. Singer



Counseling at Baltimore's St. Ambrose Housing Aid Center

The HUD Housing Counseling Program provides for the systematic delivery of information, advice and assistance to potential and existing renters, home buyers and homeowners through HUD-approved Housing Counseling Agencies. The program originated through the Congressional enactment of Section 237 of the Housing and Urban Development Act of 1968, which requires counseling of families categorized as high credit risks, in order to qualify them for Federal mortgage insurance under Section 237. HUD was authorized to contract for counseling services which placed the Department in the position of recruiting and monitoring these services rather than directly delivering them. Despite the lack of funding, the program has matured into a consumer-oriented program consisting of approximately 450 HUD-approved Housing Counseling Agencies nationwide.

An agency desiring HUD approval to provide a "Comprehensive Counseling Program" must submit documentation proving a successful counseling track record within the community it serves; it must have no involvement in activities that could be construed as a conflict of interest; it must submit an acceptable counseling program in the following areas: (1) Money Management, (2) Rental and Purchase Procedures, (3) Housing Selection, (4) Home Management, (5)

Property Care and Maintenance, (6) Recertification of Income Under Section 235, (7) Section 518—Structural and Other Housing Defects, Repair and Maintenance, (8) Relief Measures for Defaulted Mortgages, (9) Legal Information, (10) Referrals to Community Resources, (11) Follow-up, (12) Turnkey III and Section 312 Counseling; and it must meet certain other quality requirements which assure the integrity and proficiency of the counseling effort. The recently issued *Housing Counseling Handbook* (7601.1 Revised) describes in detail the criteria for public and private nonprofit organizations seeking HUD approval.

Their counseling services are not limited to the consumers of HUD programs. Counseling agencies are located within urban, suburban, and rural communities nationwide, but the examples in this article are drawn from the Baltimore HUD Area Office. Their programs vary, depending upon the agency's purpose, its priorities, administrative capacity, and local community needs.

Agencies' roles and their activities shape their Housing Counseling Programs: One example of a homeownership counseling agency within the jurisdiction of the Baltimore HUD Area Office is the St. Ambrose Housing Aid Center established in 1972 to promote and facilitate homeownership among Baltimore's working class families. Although the center's main

interest is pre-purchase counseling, counselors assist homeowners with all kinds of problems that affect their housing situations.

The Baltimore Urban League focuses its consumer services component on counseling defaulted mortgagors in the community in which it is located. The Homeownership Development Program of Baltimore's Department of Housing and Community Development also offers a wide range of services to homeowners, particularly to urban homesteaders.

The Dorchester Community Development Corporation (located in rural Cambridge, Md.) provides counseling services that include advice relating to apartment availability, landlord-tenant problems and organizing, and gives technical assistance to tenant groups. Similar services are offered by the Human Development Agency of Baltimore County, Inc., which serves a suburban community.

Rural agencies, such as the Southern Maryland Tri-County Community Action Council, Inc., work closely with the county offices of the Farmers Home Administration to build houses and prepare the families who will occupy these houses for the responsibilities of homeownership. In several jurisdictions, HUD's Community Development Block Grant Program partially funds a HUD-approved counseling agency such as the Frederick Community Services Agency in Frederick, Maryland.

Agencies cooperating with HUD in housing counseling may also be involved in activities such as discrimination complaint processing, energy conservation demonstration, and home repair and winterization programs.

A unique comprehensive counseling service is provided by the Housing Service Office of the national headquarters of the Social Security Administration in Woodlawn, Maryland, since its target group is its more than 19,000 employees.

HUD's housing counseling program is designed to reach renters, home

buyers and homeowners utilizing HUD-implemented housing programs. These persons often lack skills in dealing in the rental and home-buying market place and may sometimes be the victims of unethical real estate agents and mortgage lenders. Frequently these persons are from the disadvantaged population of the community. They often lack funds to properly meet their housing needs. When these families turn to a counseling agency for advice and assistance regarding their housing needs, a professional housing counselor assesses the total situation and tailors a counseling program to meet their needs. The counselee is able to ask questions and receive impartial answers. This resource is available if subsequent problems arise.

Record of Success

Within the Philadelphia Region, experience has shown that counseling, offered prior to the signing of a contract of sale and continuing after occupancy, increases the buyer's level of sophistication and significantly reduces the number of foreclosures. Foreclosures are a symptom of a socio-economic illness. A comprehensive counseling program prior to the purchase of a home is the preventive medicine. By improving the knowledge of the inexperienced and unsophisticated home buyer prior to his getting involved in the written commitment to purchase, chances improved that the transaction will lead to a successful homeownership experience.

The advantages of pre-purchase counseling are clearly illustrated by the following case handled by a HUD-approved counseling agency in Baltimore, Maryland. The names are fictitious.

Mr. and Mrs. Henderson made an appointment at the St. Ambrose Housing Aid Center in Baltimore after hearing from friends that these are people "who can help you buy a house." Their appointment was set up in the evening so that both hus-

band and wife could be present. During the 2-hour discussion, the housing counselor obtained information on the family's financial resources, money management habits and their motivation for buying a house.

The counselor learned that both husband and wife were steadily employed and had a small savings account. Their three children were of school age so the parents wanted a house close to good schools. The Henderson's current housing expenses had been increasing over the last few years and the couple felt they would rather own something of their own.

The Hendersons were somewhat uncomfortable about their credit because soon after they married they had trouble understanding the payment of a hospital bill. They thought their insurance company had paid the entire bill, and it wasn't until some time later that they learned otherwise. They eventually paid the bill, but they were uncertain as to how this incident affected their credit. They indicated that there were no other credit problems. The counselor recommended to the Hendersons that they visit the local credit bureau to check the status of their credit rating.

Subsequently, the counselor thoroughly covered the basics of home buying: homeowner's responsibilities, financing programs, contracts, housing values and neighborhoods, quality of the housing structure, role of the real estate agent and the realities of housing discrimination.

The Hendersons learned that they could purchase a home in the neighborhood they preferred with a monthly mortgage payment that was less than they were paying for rent each month.

Upon investigation at the credit bureau, the Hendersons were informed that their credit report indicated a "slow pay" on their hospital account. When they met with the housing counselor again, they reported this information to him. As the counselor became familiar with the family, he recognized the poor

credit rating was the result of extenuating circumstances and conveyed this explanation to the loan officer at the savings and loan association where the Hendersons applied for financing.

With the counselor's continuing assistance, the Hendersons received mortgage approval, purchased and settled their home, and have been current with their mortgage payments for the past 2½ years.

In every counseling agency, housing counselors can supply documentation on cases in which professional counseling assisted families to become homeowners. Lack of knowledge regarding housing values, structural deficiencies, financing procedures, social service assistance such as day care centers and food stamps, unemployment benefits, workman's compensation, legal aid, insurance, etc., has been overcome through one-on-one counseling sessions.

The concept of providing counseling to all HUD-insured homeowners who have difficulty keeping current in their mortgage payments has been adopted by HUD offices throughout the Philadelphia Region, as well as other areas of the country. The homeowner in default is in serious financial trouble, but if he is willing to take advantage of the available free counseling services, he can usually be helped in achieving financial stability and keeping his home.

Such was the case with Diana and Ronald Wilson who were referred by HUD to the HUD-approved counseling service in Annapolis, Maryland. The Wilsons were 3 months behind in paying their HUD-insured mortgage. When Bertina Nick, Senior Housing Counselor at the service, received the referral, she immediately contacted the family by telephone.

Mrs. Wilson was very receptive to the offer of assistance. In fact, she had heard about the counseling service through her church only 1 week before. Since both Mr. and Mrs. Wilson were employed during the day, the counselor made an appoint-

ment to visit the family that same evening.

Mrs. Nick also contacted the mortgage lender and learned that the Wilsons were not prompt in making their payments and did not keep their oral promises to make the account current. The lender felt this case would end in foreclosure.

The counselor learned that the Wilsons lived in a well maintained and nicely furnished home. Both husband and wife were steadily employed in the Federal service with a combined gross yearly income of \$21,000. During 3 hours of conversation in surroundings comfortable to the clients, Mrs. Nick assessed the situation as one of poor money and home management.

The Wilson's difficulty began almost 1 year earlier when Mrs. Wilson took advance leave from her job to have a baby. When she finally returned to work she learned she had incorrectly received more leave than allowed. Consequently, her paychecks were reduced and her income was virtually cut in half. This mistake, combined with the additional expenses of child care and of taking her sick infant to the doctor, drastically reduced the family's income; however, the family's spending habits were not altered in proportion to the reduction in family income.

In reviewing the family's expenses, the counselor learned that in spite of these financial troubles, large monetary donations were made by the Wilsons to their church on a weekly basis. Their grocery bills were exorbitant for a family of three which indicated an inability to purchase foods wisely. Clothes for the baby, which were too quickly outgrown, were purchased at the most exclusive and expensive store in their community.

From all indications, the Wilsons were trying to maintain a lifestyle incompatible with their income. To meet their needs, they made several loans. The accounts the Wilsons paid first were the ones that sent a collec-

tor to their home. The counselor found that the Wilsons were aware of their problems but were unable to understand and cope with them.

The housing counselor developed a budget within which the Wilsons could live. A counseling program to rearrange their spending habits and priorities was developed.

The way the Wilsons paid their monthly mortgage note was the first item to be changed, since it was always the last bill to be paid and it was usually paid late. The importance of communicating honestly with the mortgage lender was emphasized. The family was holding two of the mortgage payments they owed because they believed they had to submit the three delinquent payments at one time. They felt they could realistically become current if the mortgage lender would accept their two payments and if they were allowed to make the additional delinquent payment over the next 2 months. With continuous counseling, the Wilsons could then focus their attention on reorganizing their other payments.

After Mrs. Nick reviewed her assessment of the Wilson family with the mortgage lender, the repayment plan proposed was accepted; however, the repayment plan was to be in writing and signed by the mortgagors. The importance of complying with this agreement was conveyed to the clients in their next counseling session. After a period of 7 months, the Wilsons were close to attaining their goal of financial solvency. Their spending habits were drastically revised and their mortgage account remained current.

Community Benefits

Homeownership counseling offers a way to reduce the number of homes lost through foreclosure. When foreclosures occur, the confidence and credibility of the neighborhood decrease significantly. If a foreclosure is averted, the community and the homeowner benefit. HUD also benefits since the corporate insurance

funds will not be used to acquire the property and resell it. On a national basis, the average cost to HUD, beginning June 1976, to acquire a single family property and resell it, skyrocketed to \$9,615 due to inflation.

In a recent study by the HUD Office of Program Analysis and Evaluation entitled *Counseling for Delinquent Mortgagors, An Evaluation Report* (August 1975), which assessed limited data on the Default Counseling Program, the authors developed three methods to measure costs and benefits of counseling and concluded the following: "Comparison One indicates that savings to the insurance fund because of foreclosure avoided far outweigh the cost of contracting with counseling agencies in the four cities studied. Comparison Two indicates that although the long-run impact of counseling on the HUD budget is not clear, future subsidy obligations are approximately equal to the immediate savings to the insurance fund. Comparison Three, which includes Federal, personal, and social costs and benefits of delinquent and default counseling, suggests that the net result of counseling is beneficial."

The presumption that only persons of low and moderate income need housing counseling services has been invalidated by HUD experience in the Philadelphia Region. Most people are not adequately versed in the mechanics of buying or renting a place to live. Professionally trained housing counselors have established the National Federation of Housing Counselors to insure that the quality housing counseling services needed are available. As this fledgling organization develops, support will increase for the realization that housing counseling is an essential vehicle to assist the Federal Government to achieve its goal of a decent home and suitable living environment for every American. □

Ms. Singer is a housing management representative in the HUD Baltimore Area Office.

Easter Hill Village: Some Implications of Design, by Clare C. Cooper. New York, Free Press, 1975. 337pp. \$15.95.

The need to solve the riddle of proper design of multi-family housing complexes (the buildings and the space around them) to make them fit low-income user requirements and preferences has been recognized for some time. Behavioral scientists, physical planners, and architects have examined the elements of the riddle with increasing intensity as multifamily public housing, in particular, shows mounting problems of security, anti-social actions of disorderly young residents, and extensive vandalism—factors that have made many housing projects unpalatable to the well-behaving residents as well as to the general public. Although HUD's "Section 8" program with its housing allowance provisions encourages the use of private-sector, single-family dwellings by eligible low-income applicants, the 1976 Housing Authorization Act provides for resumption of conventional or "traditional" public housing, and a limited amount of such housing is again in the picture as possible new construction.

Thus, a book worth looking into—by all concerned with public housing, because it brings together sound information from experience, and guidance for the future—is *Easter Hill Village*. The book offers a "hind-sight" view (with all its lessons) of a once much admired public housing development built in Richmond, California, in 1954; but by 1974, a sadly deteriorated environment for its low-income residents. What happened to this public housing project of 300 dwellings, designed by architects who, in Herbert Gans' introduction, "deliberately designed a housing project to meet user needs, and even struggled for changes in the regulations governing public housing construction in order to include features they felt would be important to the residents?"

Mrs. Cooper, whose base for her book was a Master's thesis undertaken in 1964 to evaluate the success of the designers, drew some interesting conclusions, as she updated information in 1974, with input by tenants. Among the successes of the project, she listed:

- the building of rowhouse dwellings instead of high-rises or walk-ups
- provision of front and backyards, and a covered porch at the front-entry
- utilization of boulders, native to the wind-swept site, which children could use for play

Some of the negatives:

- failing to plan for a larger kitchen rather than a big living room (because the kitchen, rather than the living room, is the gathering place for low-income families)
- inadequate sound-proofing between dwellings
- the grouping of some houses around courts, intended to encourage socializing with neighbors but which residents felt were too intimate and crowded to give them privacy and security from incompatible neighbors

—the lack of interesting play environment for young and growing-up children

There is emphasis and re-emphasis that design cannot overcome problems of too little money, broken homes, and other personal difficulties of the poor. The social implications of design are not to be denied, however, and they may well be paid attention when building multi-family housing afresh, or in extensive rehabilitation.

—Marian Massen
Housing, HUD

The New England States; People, Politics and Power in the Six New England States, by Neal R. Peirce. New York, W. W. Norton & Co., 1976. 447pp. \$12.95.

Is it possible for a guide book to sparkle and be eminently readable? Yes. Peirce succeeds in arousing curiosity and sustaining interest in what is more than an aseptic tour guide of Michelin. He follows in the tradition of John Gunther's *Inside USA*.

The book describes, analyzes, and relates anecdotes. It deals with people and explains issues. These are placed in a conceptual framework and provided perspective. Peirce is as concerned with history, politics, sociology, and the power bases as with geographic and geologic matters. He felicitously interweaves the discussion of flora and fauna with that of personalities. He read extensively and interviewed many persons. Both sources are scrupulously credited.

This presentation of the New England States (Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island) is part of a series by the author that covers the Nation. You may want to consult the others, such as *"The Megastates of America"* (concerning the ten biggest).

We at HUD are particularly interested in his delineation of major housing, land use, zoning, metropolitan, regional planning and community development projects. For example, he succinctly summarizes New Haven renewal under Richard Lee and Edward Logue, in a graphic but objective interpretation.

In a sprightly fashion, this work throws light on the status of the New England States. It will help us comprehend how they evolved to where they are and whither they may be headed. Certainly, they are the leaders in regional cooperation and innovative land use planning, not to mention participatory government (town meetings), education and culture. May their glory continue in the future and rely not only on their past proud tradition of excellence.

—Elsa S. Freeman, Director
Library Division, HUD

An Alternative to Juvenile Crime

by Wm. R. Williams
and Kaleb Nelson

When he came to Bell Gardens in Orange County 6 years ago to organize this Southern California community's police department, Chief Ferice B. Childers was given a wooden replica of a medieval mace by the city council and told, "You're going to need it."

But unlike some of the ancient kings, whose spike-encrusted maces were employed to keep unruly subjects in line, Chief Childers' has never been off its nail on his wall. As far as he was concerned there was a better way to handle lawbreakers—particularly juveniles—in this city of 30,000, and he went after it.

"Sure, Bell Gardens is a low economic base community with attendant levels of crime," says the chief, "but we felt that was no reason for law enforcement to remain trapped in tradition and to simply deal as we always had with crime and criminals." "Nationwide," says the chief, "literally billions of dollars had been going down the rathole of a failing system. We wanted to get our hands on a million bucks to try something new." Banging hard—and repeatedly—on every door he could darken between Sacramento and Washington, the persistent chief's bulldog tenacity paid off—finally. "It took us 3 years to get our money (beginning with \$303,000 the first year) through the Law Enforcement Assistance Administration in Washington and the Office of Criminal Justice Planning in Sacramento, but we launched the program in May of 1972—our Youth Services Bureau."

Rebuffed by many who reminded him over and over that "only the very biggest cities, like New York and Los Angeles, get the kind of money

you're talking about," the chief stressed that Bell Gardens was a natural laboratory "to show that problems of juvenile crime are decidedly *not* separate from problems in education, employment, housing and every other social concern. We wanted to be viewed seriously as a national pilot project encompassing the entire community to resolve our juvenile crime problems."

Did the Bell Gardens Youth Services Bureau pay off? "At a time when juvenile crime is rising nationally at a rate between 18 and 50 percent," says the chief, "we experienced an 11 percent reduction last year."

Additionally, the program was credited on Bell Gardens' campuses recently with reducing annual vandalism costs from \$90,000 to a more realistic and manageable \$9,000—a figure which, has not grown.

Program's Approach

"The uniqueness of our approach," says Childers, "is that here the police offer personal counseling and participation in community projects to potential offenders, which creates a *positive alternative* to crime—and it really works."

A variety of vehicles are utilized for police contact, which officially reached 40 percent "of all the kids in the community who were between 10 and 18 the first year," Childers says. "We conduct high school counseling programs, work with local youth organizations, and have direct contact with previous offenders. Certainly not all those we reached the first year, and whom we continue to reach, are offenders, but when you realize that we'd had a recidivism rate approaching 75 percent, and that that meant three out of four kids caught up in the juvenile justice system seemed fated not to get out of it, then you know it was absolutely imperative for us to try something that provided better odds."

Childers' Youth Services Bureau is run by a 16-member commission

made up both of youths and adults. "We have a population of 71 percent Caucasian and 23 percent Spanish-surnamed people in Bell Gardens, and we try to reflect that in our program," he says. "The commission knows, and works from the standpoint that we focus on the kids by focusing on those aspects of their environment that work on their heads. This means working on the relationship of a given youngster to the community, and of the community to him. I guess what it comes down to is simply personalizing the responsibility of the one to the other."

Chief Childers is convinced "that we now have in Bell Gardens an operational model that could work anywhere, and we want to make it available to other cities. We see in all this a marriage between our home-grown software programs, and the hardware-oriented programs of the Housing and Community Development Act (HCDA)."

More specifically, the chief's own scenario calls for the Youth Services Bureau to organize Bell Gardens juveniles into work teams, led by skilled professional tradesmen. Under their leadership the work teams would undertake clean-up, maintenance, and light carpentry in conjunction with various HCDA community hardware improvement programs. A residential rehabilitation program now in the planning stages is a prime possibility for implementing the youth work-team innovation.

Chief Childers did not quite get a million dollars over 3 years, but he did get \$817,000. "We went in wanting to scale down eventually to a level where the community could support the program fully in the fourth year. However, if we had not had the massive *initial outside funding*, this would never have been an attainable goal," he says.

Childers points out that there is a "real question" in law enforcement circles today "over whether a fully-uniformed, fully-equipped officer in a



patrol car is as effective as something like this Youth Services Bureau." He may be right, because his own department of 66 would, he said, "probably have to be double that right now" had it not been for the Youth Services Bureau's highly-successful record over the past 3 years.

"Two statewide associations—the

California Association of Diversion and Youth Services Counselors, and the Association of School Resource Officers, have sprung from our experiment here in Bell Gardens," says the chief. "Not only that, but lately we've been studied by teams from many nations—Canada, Japan, England's Scotland Yard—as well as from

around the country. So we must be doing *something* that is paying off."

It is hard to disagree. □

Williams heads his own Berkeley-based citizen participation and community relations consulting firm. Kaleb Nelson is the community development consultant and vice-pres. of the Anaheim-based firm, Envista, Inc.

Home Warranty Plans: How They Stack Up

by Virginia H. Knauer

With the passage of the Magnuson-Moss Warranty Act in 1975, warranties have become a topic for intense scrutiny by the entire American business world. But for the housing industry especially, which uses the warranty as a marketing tool to increase consumer confidence, home warranties have emerged as a critical consumer issue. For not only must the industry establish what a home warranty should include under Magnuson-Moss, but, more importantly, it must be prepared to educate the public to realize that warranties have the potential to increase consumer satisfaction and to stimulate housing purchases.

History of Home Warranty Programs

Beginning with the Housing Act of 1954, which required all new homes purchased with mortgages guaranteed by the Federal Government to carry a 1-year written warranty, the industry has established certain warranty programs to cover both new and older homes. But unfortunately, while several of these programs now exist, the industry has been lax in educating the potential home purchaser about the differences in home warranties and thus has done little to alleviate the consumer's confusion about what a home warranty means. The result, as I see it, has been to lessen the impact warranties offer as a marketing device and, at the same time, to create expectations on the part of the consumer that can't be realized.

Officials I have talked to, both within government and industry, readily admit that there are many differences among the warranty plans currently available to consumers. A

comparison of some of the key provisions of the warranties offered under the National Association of Home Builders' Home Owners Warranty (HOW) Program, the National Association of Realtors' Home Protection Program and the standard warranty provided for under FHA makes my point:

While the HOW warranty operates for a 10-year period, the NAR warranty runs for 1 or 2 years, depending upon the plan, and FHA is for 1 year. HOW's warranty is designed to cover operating failures within a new home in several stages: during the first year, the builder must make good on any failures to meet approved construction standards—such as faulty insulation, improper construction, plumbing and electrical defects—at no cost to the home buyer; during the second year, the builder continues to be responsible for defects in the heating, cooling, electrical and plumbing systems as well as structural defects; after the second year, a national insurance plan directly insures the consumer against structural defects for the next 8 years. Like the HOW warranty, NAR covers operating failures including structural problems and heating, plumbing, electrical and other systems within the house but operates for a much shorter time and covers resale homes, not new ones. FHA's warranty also covers faulty workmanship or materials in new homes but is limited to defects arising from construction practices where there is nonconformity with established building specifications or plans.

Beyond these differences in length and scope of coverage, the plans also vary in exclusions from the warranty, deductibles and cost. Under HOW and FHA, exclusions from coverage involve loss due to fire, flood or other "acts of God," normal shrinkage and buyer neglect. In comparison, NAR's program limits coverage to inspected and approved items. With HOW and FHA, there are no deduct-



ibles from the warranty while with NAR, there is a deductible of \$100 per element per occurrence. Concerning cost of the program, FHA is free to the homeowner along with HOW, which costs the builder \$2 per thousand of the cost of the house to enter it in the program (with a minimum of \$50). In contrast, under NAR's plan, the cost may be paid by either the buyer or seller and usually runs about \$200.

Complaint Mechanism

But probably the biggest difference among the home warranty plans is in the area of complaint resolution. When I first began working with NAHB on the development of its HOW program, I urged the association to design a home warranty that provides a mechanism for settling differences between the builder and buyer. NAHB responded by including a complaint resolution mechanism in the HOW Program involving both conciliation and arbitration. Under this system, if there is an unresolved dispute, either the builder or the consumer can request conciliation by paying a \$25 refundable fee with the local HOW Council (the fee is refunded if the Council determines there is a meritorious complaint). If the complaint is not resolved by conciliation, either party can request arbitration under a program sponsored by the American Arbitration Association.

This complaint resolution mechanism is unique to HOW. Unfortunately, although I have urged the National Association of Realtors to involve its national and local organizations in a program to incorporate complaint handling into NAR's warranty, no action has yet been taken. I have also urged NAR to follow HOW's lead in creating consumer advisory panels to involve the consumer in the warranty program. As I explained to NAHB officials when I worked with them on designing the HOW program, incorporating the consumer viewpoint into the develop-

ment of a home warranty increases the customer's confidence in that program. I also told NAHB—as I am now telling NAR—that instituting a program that gives consumers another avenue to resolve their grievances is essential to making a home warranty credible to consumers. It was—and remains—my belief that putting a complaint resolution mechanism, coupled by consumer input, into a warranty will help consumers see that the program adds to their remedies but does not subtract from their rights.

Record of Success

Several years after I first presented these arguments to the home building industry, the current success of the HOW program serves to strengthen my beliefs. Since March 1974 when NAHB launched the HOW Program—complete with consumer input and its new complaint mechanism—a large number of new homes have been insured by HOW. In addition, HOW has gained the support of the financial community. Early in HOW's history, the Home Owners Warranty Corporation (an NAHB subsidiary that runs the HOW program at the national level) adopted a policy allowing mortgage lenders to be joint beneficiaries with the homeowner on insurance claims over \$1,000 paid by the program's insurer. As a result, several banks and savings and loans across the country are giving preferential interest rates either to HOW builders on new construction loans or to home buyers, reducing the interest they have to pay.

Although HOW is still in its infancy, its insurance protection has already been tested and has proven effective for consumers. The first case where consumers collected involved a builder in Norfolk, Virginia, who filed for bankruptcy, leaving two families who had just bought HOW-insured homes with many problems. The families were able to collect from American Bankers Insurance Co. of Florida, underwriter of the HOW

program. American Bankers, in short, paid to have all the repairs made.

But it is in the area of complaint resolution where the real success of a home warranty remains to be seen. In the almost 3 years that HOW has been in existence, its special feature of providing a conciliation or arbitration program has had good results. Yet, due to the implementation of the Magnuson-Moss Act, the complaint system designed by NAHB may have to be redesigned. While Magnuson-Moss does not argue with the concept behind the HOW system, the law specifies that industry complaint programs under the Act (which reference complaint programs in a written warranty) cannot require binding arbitration or require the consumer to pay any fees. This poses some problems for the HOW system as currently designed—but these are problems that can be overcome.

The HOW experience, I am sure, makes many in the housing industry feel that the Magnuson-Moss Warranty Act has complicated your lives. Businessmen from a number of different industries have talked with me about the problems they have in conforming with the requirements of the law when so many of the Act's provisions have not yet been defined by the Federal Trade Commission (FTC). And, in one of the few areas where FTC has issued final regulations to implement the law, business—and especially the housing industry—is concerned that existing mechanisms cannot comply.

Because the housing industry, through the development of HOW, has been in the forefront in its commitment to resolve the consumer's problems fairly and expeditiously, it is my hope that the industry will also be a trend setter in working with government and the public to develop answers to the questions about complaint systems and other matters which Magnuson-Moss has posed. The FTC's regulations on informal dispute settlement mechanisms are designed to ensure that these systems are good

faith efforts to resolve consumer grievances. Hopefully, if the housing industry and others will work with consumers and government to iron out existing problems, they will become the framework on which business can build effective, industrywide systems for ensuring that the purchasers of products get a fair hearing on those complex and difficult complaints that cannot be solved under the standard procedures of the companies.

The housing industry has now be-

come firmly wedded to the warranty concept—a concept that is dependent upon public understanding, public demand, equitable complaint resolution and most importantly, creation of an enduring public confidence. But to meet these goals will require working with both consumers and government to reach mutual solutions to commonly shared problems. Consumers, government and builders have a common interest in warranties and it is up to all of us to see that they work effectively. That, in essence, is the

challenge warranties pose for us—but it is one that we can meet. □

Mrs. Knauer is Special Assistant to the President for Consumer Affairs and Director, Office of Consumer Affairs.

EDITOR'S NOTE: *The Housing and Urban Development Act of 1976 directs HUD to study the issue of warranties, and to conduct a "full and complete investigation and study and report to Congress, with recommendations, not later than March 1, 1977."*

Warranties are one of the best marketing tools available to the housing industry to increase consumer confidence and to stimulate housing purchases. But, while a number of home warranty programs now exist, the Office of Consumer Affairs has found many differences among these programs. The following is a chart comparing the major differences among the National Association of Home Builders' Home Owners Warranty (HOW) Program, the National Association of Realtors' Home Protection Program and the standard warranty provided for under FHA:

COMPARISON OF THREE HOME WARRANTY PLANS AVAILABLE TO CONSUMERS

Key Criteria	HOW	NAR	FHA
1. Plan Coverage	Covers only operating failures. 1st yr.—faulty workmanship or materials. 2nd yr.—heating, plumbing, electrical and A/C systems; structural soundness. 3rd–10th year—major structural defects. Plan covers new homes.	Covers only operating failures. Heating, plumbing, electrical, and A/C systems; structural soundness of exterior and interior walls, including floors and ceilings. Plan covers resale homes.	Covers faulty workmanship or materials. Plan covers new homes.
2. Length of coverage	10-year policy	Not less than one year. Two current plans are for one year, and one plan for two years.	One year
3. Warranty Exclusions	Loss due to fire, flood or other acts of God, normal shrinkage, buyer neglect.	Coverage limited to inspected and approved items. Exterior structures (garage, etc.).	Loss due to fire, flood or other acts of God, normal shrinkage, buyer neglect.
4. Policy Transferable	Yes, within the 10-year period.	Yes, within the period of contract.	Yes, within the one-year period.
5. Deductible	None	\$100 per element per occurrence.	None
6. Cost	\$2 per thousand with a minimum of \$50.	Premium left exclusively to participating companies; usually runs about \$200.	No Cost
7. Covers Condominiums	Yes, with some provisions.	Not required. One plan does; two do not.	Yes

Key Criteria	HOW	NAR	FHA
8. Includes termite inspection	No	No	No
9. Insulation requirements	House must meet either FHA or Local Council standards.	Not included in inspection.	House must meet FHA requirements.
10. Program includes uniform complaint resolution mechanism	Yes	No	No
11. If applicable, cost of mechanism to buy	In case of resolved dispute between buyer and builder, the party requesting conciliation must deposit a refundable fee of \$25 with Local Council. This is during the first two years, and during the third thru 10 years the fee is \$50. A request for arbitration requires a refundable fee of \$75.	N.A.	N.A.
12. Sponsor commitment or involvement	Administered by the Home Owners Registration Corp. who is advised by a 15-member advisory board. Builder participants must be approved by Local Warranty Council. Rejections can be appealed to the National Council. Approvals must be renewed annually. Builder's plans for each new house must be approved by Local Warranty Council prior to construction.	NAR developed specifications for program and approves individual companies participating in program. A 10-member Home Protection Committee is responsible for all policy considerations and monitoring the Home Protection Plans. Boards of Realtors are not required to make any commitment to review complaints, or assume any responsibility or liability for conduct of approved program.	FHA has powers under 518a to either force builder to live up to provisions of warranty or it can make repairs itself and bill builder for cost of repair.
13. Underwriter of program	American Bankers Insurance Company	All three plans currently in operation are backed by insurance policies.	Individual builders cover cost of repairs.
14. Inspection arrangements	Where adequate building codes and acceptable inspections by FHA, VA, or the local municipality exist, Local Councils' inspections are not necessary. Otherwise, the Local Warranty Council is responsible for inspection.	NAR does not select inspectors, only approved companies engage Professional Engineers to perform the necessary inspections.	FHA's field staff conduct inspections.
15. Consumer monitoring	Advisory Board is made up of representatives from consumer and public interest groups, government, national publications, architects, manufacturers, lenders and attorneys.	None	None

Saving the Best of Yesterday for Tomorrow

In May of 1975 the State of New York produced with help from the HUD 701 Grant Program a slide presentation titled "Adaptive Use: Survival of the Fittest," which illustrates old buildings in New York State which had been or were being converted to a new use. The following is adapted from the script of that presentation with special credit going to the State of New York, Mario Cuomo, Secretary of State, and to Peggy Sloane, writer and director, Chrome Yellow Films.

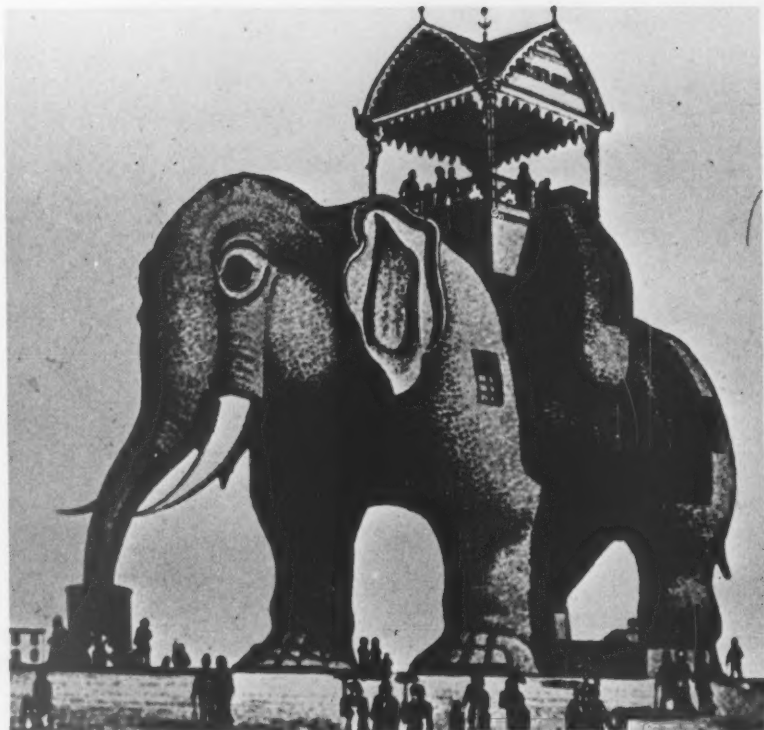
As Americans, we love the proud architectural reminders of our past.... Or do we? Actually, when you think about it, probably no other nation on earth has so systematically destroyed its own environmental heritage in the name of progress.

New York State is no exception. Look around. How much of the 18th or even the 19th century remains in your town? Do you miss it? Many communities have come to appreciate that a town without the living vestiges of its past is like a person with amnesia—lost and friendless.

Mainstreet USA at Disneyland is where imaginative artists have built a fabulous stage set model of our small town heritage. People love it. They come thousands of miles to see it. But why don't they love the mainstreet back home?

What happens to *real* old railroad stations, firehouses, and town halls? They are frequently destroyed. How many buildings can we afford to set aside and preserve forever as tax-free museums and monuments to the past? Important as they are, not many.

Old buildings have become an endangered species, and like their animal counterparts, some have found refuge in museums, which are the



Towering elephant Lucy is being adapted for use as a museum and children's center.

equivalent of zoos, for historic buildings.

But Darwin wouldn't have recommended either zoos or museums to an endangered species. The key to survival, he pointed out, is the ability to adapt. When the climate changes, or the food supply shifts, animals either adapt or die. The same is true of buildings. When the neighborhood changes, and the mill wheel stops turning, or the trains stop coming, a building must either find a new way of life or face destruction.

Not every species can survive, nor can every building be adapted to a new use. But if it is important that some elements of the past remain alive and well in our midst, then it is worth asking some hard questions: Which buildings should be saved? How can we save them and what are we saving them for?

Reminders of the Past

The first candidates for concern are

always those buildings which are famous historic or architectural monuments. Unfortunately, good architecture is no guarantee of survival, but adaptive use has rescued hundreds of great buildings whose time for destruction would otherwise have come.

One that has been rescued is the old Astor Library in New York City. In 1968 the Landmark Preservation Commission, worried about the building's future, convinced the New York Shakespeare Festival that the great old building with its large Renaissance windows and high ceilings could be reused as the main center of operation for the commission's unique theatrical organization.

New York City bought the building from the Shakespeare Festival in 1973 so that the facilities could be further expanded and fully utilized. The building now contains five separate theaters and one archive

cinema—all thriving amidst the carvings, cast-iron moldings and columns of John Jacob Astor's private library.

Not 10 blocks away a new library emerged out of an old courthouse, prison and market complex. In the 1880's the Jefferson Market Courthouse was voted one of the 10 most beautiful buildings in America. In 1958, it was vacant—just one more piece of surplus city real estate waiting for the wrecker's ball.

But under pressure from the Landmark Commission and the citizens of Greenwich Village, the city agreed to convert Jefferson Market into a branch of the Public Library.

First, however, they had to solve the problem of the clock tower and the gabled roofs of the reading room, roofs which rise over 40 feet above the sidewalk. This height is illegal in a non-fireproof public building in New York City. The Building Department's solution was to build a concrete slab across the whole building at the 40 foot line, right through a beautiful interior stair. Luckily, a simple appeal was possible, and the addition of a few sprinklers and a fire stair saved the tower and gables in their original forms.

The price of the Jefferson Market Library renovation was over \$1 million—about twice the cost of an average new branch library. However, the result was a building which could not be duplicated today, at any price.

Preservation for Adaptive Uses

Often it takes a giant client to save a giant building—a government agency like the State University of New York, for instance, which will soon have its central office in the former home of the Delaware & Hudson Railroad. The total cost of renovation is estimated at \$9 million. Not the sort of project which could easily be undertaken by your average preservation society.

On the other hand, never underestimate the determination of people who care. The Clinton House in Ithaca was saved in a well planned

campaign led by members of the local historical society who not only raised the money, but joined in the reconstruction themselves.

The Clinton House is a magnificent example of Greek Revival architecture, but all over New York there are hundreds of less distinguished buildings which are well worth saving. They are old friends, a part of the familiar visual fabric of the community, still solid, and potentially still useful.

Almost every town has a Victorian mansion or two. If allowed to run down, they make fine haunted houses for neighborhood children—but there are other possibilities such as municipal departments, offices, restaurants and other commercial uses.

What about the old red-brick schoolhouse? Norwich should win a prize in that category for finding new uses for three of them—so much alike that without the signs you might not be able to tell them apart. One is now a historical society; one a community theater; and, another, in keeping with its past, contains the offices of the Board of Education.

What about other beautiful old brick buildings? An obsolete plant can become a school, cultural center, or shopping center. A building's potential really depends on what is needed. In counting old friends worth remembering—don't forget the factories. They are often very handsome. Another forgotten old friend in too many towns is the railroad station. Add an engine and a few cars and you have the makings of a first class restaurant.

Just one word of advice. . . Before converting *your* railroad station, be sure that Amtrack hasn't any plans for renewed service. Trains are coming back.

In adaptive use, imagination is the essential ingredient. Got a white elephant on your hands? Just call the "Save Lucy" committee in Margate, N. J. Lucy, a towering elephant, was built in 1881 to promote real estate development on the Jersey shore. She

was too good at it. Ninety years later another generation of developers, exhibiting a sad lack of appreciation for their own history, were about to do her in. But Lucy's tin hide was tougher than they thought and the appeal in her old eyes did not go unheeded. Today Lucy is being restored to her former glory and a new future as a children's center and a museum. Over the years, she also has been a hotel, a bar and a summer home. Elephants may have nine lives too.

When it comes to adaptive use, one certainly has to be imaginative, but it pays to be *very* practical as well. Before selecting a building to adapt, one should ask if it is basically sound.

Renovation *can* cost more than new construction if the structure has to be completely rebuilt from the inside out. Can the interior spaces of the building be made suitable for the intended purposes? Many old houses have rooms too small for public assembly or even meetings of more than a few people. Interior walls which support floors and ceilings cannot be moved.

Are you prepared to make major alterations or do you want to preserve the interior as it is?

Sufficient Capital

The right building at the right location and the right architect are the elements for a good start. But there is one more key ingredient: money.

Remember also that buildings not only have to be bought and renovated. They have to be heated, lighted, repaired and cleaned. A long-range realistic financial program is *essential*.

Sometimes tax abatement can transform a building which would not be *commercially* viable into one which is affordable for nonprofit purposes. Interestingly enough, the reverse of this situation also can be true: some buildings have been saved not by taking them *off* the tax rolls but by putting them back on.

For example, when the Ithaca High School was vacated in 1971, a local bank proposed to buy the property for a parking lot. But an architect named Bill Downing had more imagination. He proposed to convert the old school into an indoor shopping mall with apartments above. Crazy? The local bank thought so and refused to lend him money, especially since it wanted the site for its parking lot, which, it was pointed out, would put the land back on the tax rolls. But, said Downing, the school will have to be demolished first, at a cost of \$56,000. The building is sound, and as apartments and shops it will bring in more tax revenue than a parking lot possibly could—above \$40,000 a year as compared to \$6,000.

Downing's logic was inescapable. Today the Dewitt Mall is a center of activity in downtown Ithaca. It contains two restaurants, and twelve shops. Office space is being built in the central core where the school auditorium used to be.

The apartments are fully rented. One is in the old library, behind a door, which still reads, "There is no frigate like a book, to take us lands away. . . ." Well, some architects are notorious dreamers.

But what about contractors? Charles Gaetano is a contractor, who dreams with his feet firmly planted on the floor of many financial successes. Gaetano had a good track record at the Savings Bank of Utica (a bank that saved itself, and its beautiful gold dome, by the way). But on his first rehabilitation project, the St. Luke's Hospital and Nursing Home, he didn't ask for bank aid, not in the beginning.

First, Gaetano worked up all his figures on taxes, mortgage, rents, etc. The figures looked good. Next he inspected the building. In spite of appearances, the walls were solid and two feet thick. Good-sized apartments were possible. Gaetano purchased the building for \$45,000 and when his men had free time from

other jobs, they worked on the renovation. The bank was asked to make a mortgage, and their figures on income and expenses agreed with Gaetano's. Now, some 27 apartments later, the rent roll is so high that the building is worth about a \$1 million. Neither the bank nor Gaetano ever mentioned words like "historic" and "preservation" because the dollars spoke the language everyone understands. Since then, Gaetano has seemed determined to adapt every empty building in Utica.

Not every town has a Bill Downing or a Charles Gaetano. But if you're looking for someone to help you save a worthy building, don't overlook local businesses. The Gladding Corporation, one of the largest sporting goods manufacturers in the country, has a factory in the tiny village of South Otselic. It has also preserved one of the most beautiful houses in the village by converting it to a fish museum! If you want to know what's in a fish museum, you'd better go to South Otselic and see. But the house alone is worth the trip.

You might also want to stop at the Preferred Manor in New Berlin. This fine old stone house was bought by the Preferred Mutual Insurance Company to be a guest house for visiting executives and clients. But you don't have to be either to spend the night in these gracious rooms. The entry hall is one of the most beautiful in the State. The wallpaper was hand painted in Paris sometime between 1801 and 1834 by the French painter, Pierre Jacquemart. The indoor weathervane is patterned after one made by Thomas Jefferson who wanted to read the wind direction without going out in it!

If you can't find a thriving business to sponsor your adaptive use project, maybe you can find an adaptive use project to promote a thriving business. In Webster, N.Y., not far from Rochester, a small church and Sunday school has become an interior decorating center

which attracts people from miles away. The church itself is now full of furniture and antiques, "a treasure house of inspiration," as it is called, for anyone with a room or two to do over.

Next door in the old Sunday school building a series of small shops is ready to help solve all decorating problems from curtains to carpets. And for browsers the church basement has been transformed into a charming street of small gift shops.

Finally, there are almost as many ways to reuse buildings as there are buildings to be reused. Adaptive use is not just a game for the idle rich. It has become an important tool for the saving of architectural landmarks. Perhaps more important, it is proving to many communities that "clean slate" demolition is not the only solution to deteriorating neighborhoods. One successful rehabilitation effort can save an entire block. America's throw-away mentality applies to Kleenex, but it is expensive when it comes to buildings. Expensive because brick and mortar and sound walls cost money. Expensive because the broken teeth of vacant lots mar a city's spirit as well as its face.

The past is a resource for the future. What happens to it may be up to the public. As a result of the Housing and Community Development Act of 1974 we are all being asked to take a hand in planning ahead. Historic preservation, the maintenance of stable neighborhoods and the revitalization of deteriorating ones are stated objectives of the Act. The creative reuse of old buildings has an important role to play in all three. But before starting, remember the rules: Be informed. Be realistic. Be imaginative. *Be involved.* □

Adapted from the slide presentation by Patricia McCormack, City Planner, HUD; and Richard Stanton, a Program Specialist in the HUD Office of Community Planning and Development.

notebook

The Burns-Paiute Indian Tribe, located in southeastern Oregon, is the first Indian community to sign up for the federally subsidized flood insurance program administered by HUD. The tribe's major flood problem is side hill drainage. Every winter, melting snow and frequent rain run unchecked over the still frozen ground, sometimes causing evacuation and damage to often repaired homes.

Historic preservation will be among the topics of discussion at a public relations workshop November 18 and 19 in Louisville, Ky. Sponsored by the National Trust for Historic Preservation, the workshop will be attended by public relations specialists working in the areas of city planning, architecture, museums and historic preservation. For information and registration materials, write: Office of Public Affairs, National Trust, 740 Jackson Pl., N.W., Wash., D.C. 20006.

Many ideas and methods developed by HUD's research effort are now being applied by cities. A Rand Corporation demonstration funded by HUD involved use of simple, relatively inexpensive mathematical and computer procedures to support local government manager. Ideas for streamlining emergency services were developed and tested first with computers, then in actual situations in selected cities. Those that proved successful are now available to all local governments in a series of comprehensive reports and computer programs.

William J. White, Executive Director of the Massachusetts Housing Finance Agency, was recently awarded a Citation of Excellence from the Society for the Preservation of New England Antiquities, an award which recognizes decisionmakers who create policies that enhance architectural heritage. In his acceptance speech, White said the agency has made 63 loans totalling \$100,000,000 for the rehabilitation of existing buildings.

A two-day working session on the use of the Farmers Home Administration 515 and HUD Section 8 programs in the development of housing is being sponsored by the National Center for Housing Management, Inc. in Houston, Texas, Nov. 4-5 and in Cincinnati, Ohio, Nov. 11-12. For telephone registration call (202) 872-1717.

Solar energy project designs and concepts are described in two publications issued by HUD's Office of Policy Development and Research. *Solar Heating and Cooling Demonstration Program: A Descriptive Summary of HUD Solar Residential Demonstrations Cycle 1*, is a catalogue of the first 55 solar systems being used in HUD's residential solar energy experiment. The second publication, *Solar Dwelling Design Concepts*, gives a brief history of solar energy experiments and lists existing solar dwellings and systems. Both documents may be purchased

from the Superintendent of Documents, U.S. Government Printing Office, Wash., D.C. 20402. Ordering information for each publication: *Solar Heating and Cooling Demonstration Program*, GPO Stock No. 023-000-00338-4, price: \$1.15. *Solar Dwelling Design Concepts*, GPO Stock No. 023-000-00334-1, price: \$2.30.

Festivities were held throughout the Nation's Capital in observance of National Hispanic Heritage Week, Sept. 12-19. High point of the week's celebration was a mass attended by President Ford, dignitaries from major Hispanic organizations across the country and representatives of the Roman Catholic hierarchy. HUD National Spanish Speaking Coordinator, Phil Garcia, coordinated this activity.

Consumer expenditures for remodeling and rehabilitation are expected to near \$30 billion this year, according to the U.S. Bureau of the Census. Statistics for the first quarter of 1976 show that owner expenditures for residential maintenance, repairs, and construction improvements are at a seasonally adjusted annual rate of \$29.0 billion.

Middle-income individuals are moving back to the central city, according to a recent Urban Land Institute study, reports the *ICMA Newsletter*. These people generally make over \$12,000 a year and are interested in rehabilitating single-family homes. More than half of the Nation's housing supply is in the central city area, it is reported, and tends to be relatively inexpensive and in less crowded neighborhoods.

New definitions and clarifications of eligible public services and public works acceptable in applications for Community Development Grants became effective Oct. 1, the start of the new Federal Fiscal year. On March 1, HUD published for comment proposed changes to eliminate ambiguous language and to offer clearer definitions of terms for the Block Grant program. About 100 comments concerning proposed changes were received from members of the Congress, State and local governments, public interest groups, individuals, the general public, and concerned organization.

The most important step for encouraging use of public transportation is to concentrate jobs and services in compact downtowns, Regional Plan Association found in a recent study financed by the U.S. Urban Mass Transportation Administration and The Ford and Rockefeller Foundations. Regional Plan Association is the oldest regional planning organization in the country. The study is summarized in a 24-page booklet, *Where Transit Works*. The Association is located at 235 East 45th Street, New York, New York 10017.

Housing and Urban Development in Iran



For more than a decade, Iran has had a growing economy fed by rising oil revenues. The recent rapid rise in oil prices has resulted in a surge of foreign exchange income for Iran, enabling the government to draw upon new fiscal reserves in planning its development budget.

Despite available resources, Iran's planners recognize that there are constraints to development growth. These include the risk of severe inflation from an overheated economy, shortages of skilled manpower and materials, and bottlenecks limiting the capacity of the infrastructure. Realizing that Iran has insufficient manpower, materials, and expertise to execute her ambitious goals, the government is taking advantage of its foreign exchange earnings to procure short-term needs from other countries, while working toward developing ultimate self-sufficiency. Thus Iran offers a good market oppor-

tunity for American products and services, particularly industrial technology, management software, and professional expertise.

Seizing the opportunity, the government has revised its Fifth Development Plan (1973-78), nearly doubling the projected investment budget—from \$36 billion to \$68.6 billion. The revised Plan reflects both the opportunities and the difficulties facing Iran. It projects an economic growth rate in excess of 25 percent a year, with the goal of expanding the country's capital absorption capacity in order to reduce the threat of inflation. The Plan also establishes a policy of decentralized development to relieve the pressure of congestion in the cities and encourage growth in rural areas.

A goal of creating 300,000 new jobs per year is linked to crash labor training programs. To relieve the bottlenecks in transportation and

utilities, the Plan calls for a five-fold increase in fixed investment in public industry and infrastructure. To balance government participation in development, private savings and investment will be encouraged.

Investment Policies

Iran is actively seeking foreign capital to broaden its industrial base. The Ministry of Housing and Urban Development is encouraging foreign investment in housing production facilities and in building materials, components, and ancillary industries. The Ministry would like to develop a manufactured housing industry in Iran, including the whole range of development from design and engineering through building materials supply, prefabricated housing unit production, site development, construction, management, and training of Iranian labor. To accomplish this goal, the government is seeking foreign enterprises that can develop the entire industrial package. The foreign investor must be prepared to enter into joint venture arrangements of a long-term nature. To meet short-term needs, investment in assembly plants using imported components is being encouraged.

To promote foreign investment in the housing industry, the government is offering tax exemptions and local credit assistance. Foreign firms entering into licensing or technical assistance arrangements are usually liable for taxation ranging from 35 to 70 percent of gross income. Exemptions are possible for industrial development, depending on the nature and location of the industry. The government will also guarantee a profitable market for developers of industrial plants, especially those producing housing and building materials.

All direct foreign investment must be approved by the government in order to benefit from tax exemptions and from the Law for the Attraction and Protection of Foreign Capital Investments. This law, passed in

1955, provides tax exemptions and import concessions to approved foreign investors for industrial development, mining, transportation or agricultural purposes. It also allows repatriation of original capital.

Foreign investment in Iran usually takes the form of a joint venture, with 49 percent the maximum allowable foreign participation.

Housing Policies and Programs

Under the revised Fifth Development Plan, the investment target for housing has been more than doubled, to \$13.7 billion of the \$68.6 billion total investment budget. The Plan calls for a production level of 300,000 housing units per year. Roughly one-third of this number would be rural housing, administered by the Ministry of Cooperatives and Rural Development. One-third equals the present amount of urban housing construction, done mostly by the private sector. The remaining third, about 100,000 urban units a year, will be offered to foreign producers.

The population of Iran is growing at an average rate of close to 3.2 percent a year, and more than half the population is under 20. In the cities, the growth rate averages 5.5 to 6 percent a year. In 1974, 44 percent of the people lived in communities of 5,000 or more. Tehran, the capital and largest city, has approximately 4 million inhabitants and adds about 200,000 each year. Because of the excessive growth of Tehran, nine provincial cities have been selected for emphasis as development centers. Top priority in housing is planned for Isfahan, Mashhad, Tabriz, Shiraz, Ahwaz, Kermanshah, Ghazvin, Arak, and Bandar-Boz. Priority is also being given to housing for the port expansion projects at Bandar Abbas, Bandar Shahpur, and Bushehr on the Persian Gulf, and for industrial and mining development projects.

Second priority is given to attacking the housing deficit of rapidly growing Tehran. Included are at least two major developments within the

metropolitan area, Lavizan New Town and Kan New Town. Third priority is given to other major urban areas. Fourth priority goes to medium-sized cities, and lowest priority to small towns.

U.S.-Iran Working Group

The Government of Iran is exploring various bilateral mechanisms with the governments of a number of industrialized nations—including the U.S.—for direct trade and investment cooperation agreements. Under the Economy and Finance Committee of the U.S.-Iran Joint Commission, a Working Group on Housing has been established between the Iran Ministry of Housing and Urban Development and the U.S. Department of Housing and Urban Development to facilitate American housing industry trade with Iran (see *Challenge*, February 1976). Priority topics for discussion include identification of American industrialized housing systems suitable for Iran; development of building-products industries from petrochemical raw materials; earthquake engineering; design of high-density, low-rise housing; bonding systems for construction firms; registration and licensing of architects and engineers; and mortgage finance. The Office of International Affairs, HUD, acts as the U.S. Secretariat for the Working Group.

Further information on Iran is available in the *HUD International Country Profile on Iran*, Office of International Affairs, HUD, Wash., D.C. 20410. Other recent publications of the Office, all available from the Superintendent of Documents, Government Printing Office, Wash., D.C. 20402, include:

- *Housing and Urban Development in Australia*, \$.35;
- *Services Available to HUD-Related Businesses in International Trade*, \$1.10;
- *Aided Self-Help Housing: Its History and Potential*, \$1.10; and
- *Soviet New Towns: Housing and National Urban Growth Policy*, \$1.40. □

Happenstance or Plan? Region X Training for Women

by Merrill M. Ash

"Now I not only know where I want to go—I know how I'm going to get there. I now have the self-confidence I need, not only to fight, but to win."

"The training persuaded me to stop and think over my goals and not let 'happenstance' rule my entire life."

The training referred to is that sponsored by the Federal Women's Program (FWP) of Region X (Seattle), in its concern for upward mobility of women. As a training resource, the FWP turned to the Individual Development Center, Inc., of Seattle, Washington (see box). In

The Individual Development (ID) Center was established in Seattle in 1972 to provide competent assistance by counselors experienced in career development needs and life planning problems. The Center has extensive knowledge of community educational and vocational training opportunities as well as resource materials regarding employment possibilities.

Since its founding, over 5,000 persons have taken part in Individual Development Center classes and Career Development workshops in Seattle and throughout the United States and Canada. The founder of the ID Center and its director is Alene Morris, former director of the Women's Guidance Center in the Division of Continuing Education of the University of Washington.

the past 4 years, 100 HUD women employees from throughout the Region have attended the seminars which consist of 2½ days of classes followed by one hour of individual counseling for each of the attendees.

The HUD Federal Women's Program Coordinator for Region X is Eileen Seversen. Since the beginning of the seminars in 1973 she has been carefully evaluating the results of the training. Among the 75 women who attended the first three seminars, 47

percent have made identifiable progress in their careers. The fourth seminar took place too recently for evaluation at this time.

The comments quoted above were from two of the HUD women who attended a seminar and who have had time and opportunity to assess their progress since.

Supervisors, too, have comments to make after identifying some of their women employees who have attended a seminar.

"In my estimation," said one, "the seminars have made the women working for me totally discontented. I'm afraid their expectations have been raised too high. I can see a lot of frustration and unhappiness as a result."

In rebuttal, a woman, who since attending one of the seminars has moved to a high-level position in a field office, said: "I disagree. I believe the training may well convince some that they have it made where they are, and may give them a more realistic view of their place in the organization. Remember," she said, "to really move upward a woman must work hard and must be willing to be mobile. This training forces one to take a careful look at the price of whatever decision is made."

Another male supervisor commented: "I believe that the women who work for me who have taken the course seem to feel better about themselves. I know that some of them have received positive motivation and have been better able to sort out their career development plans. I think the course was realistic and the instructors had a good grasp of reality."

The women interviewed for this article, all of whom had attended one of the seminars, seemed to be willing to express several things in common: A feeling of heightened self-esteem; a renewal of faith in their own capabilities; a belief that the walls of the daily rut can be surmounted; and, a new world attained if the desire and concentration are deep enough.

Eileen Seversen supports her figure of 47 percent progress among the women taking the course with some specifics: A legal intern at the time of training now is a practicing attorney with local government; a GS-5 contract clerk now is an Administrative Officer, GS-9; another was merit-staffed into a higher ladder; thirty-one have received promotions, 18 of whom are in career ladder positions (including one Urban Intern); and four others are in career ladders, but were not promoted (including two urban interns).

"I found the course to be an excellent one. It really altered my life-style."

"I 'took off' after I attended the seminar. I learned the attitudes which can be self-defeating and how to avoid them."

"I don't think the results are immediate, but when you are encouraged to take a critical look at

your career it can have a lasting effect."

As could be expected, the positive results of the seminars have been challenged. "You cannot prove that any of the promotions or the other progress claimed resulted only and directly from the Individual Development Training."

Eileen Seversen responds: "No. None of the women would claim that. Most do maintain, however, that the needed push to look ahead—to try new things—came from the seminars; that the confidence needed to plan ahead and work for advancement provided an impetus which generally has been maintained."

The series of seminars in question is named "Developing Career Poten-

tial." It was created by the Individual Development (ID) Center of Seattle and conducted by Center personnel under HUD auspices. It addresses the psychological, social and personal realities that women face which, in the past, have combined to produce a negative climate for career development. ID Center instructors and counselors use lecture-discussion, group guidance techniques, vocational testing, films and personal assessment tools. The seminar sessions are intended to give the woman attending the insight to better herself; inventory her abilities and work skills; evaluate her educational history; assess her life priorities in terms of career time, energy, responsibility and tension; determine realistic career possibilities; investigate optional routes of further training; experience and education; and plan action steps suitable to her overall life-planning goals.

At the conclusion of the course, after each participant has developed an extensive portfolio of materials describing her career potential, she is counseled individually in order to establish that her plan is both realistic and likely to be productive. The process leads some women to conclude that they are already on the right track and are happy in their present jobs; others, however, are encouraged and motivated to pursue development and growth, perhaps along a different path.

Two comments were brought out in the interviews leading to this article which seemed common to most of those attending: "More individual counseling would have been welcome, especially a session about half-way through the course." The statement also was heard: "... you know, they ought to put together a course like this for HUD men, too. The men would profit—and so would the women who work for—or with—them." □

Mr. Ash is HUD Public Information Officer for the Seattle Region.

1. Alene H. Morris, Director and Co-Founder of I.D. Center
2. Eileen Seversen, Coordinator, Federal Women's Program, HUD, Region X
3. Mary Lou Hunt, Associate Director and Co-Founder of I.D. Center



Pro-Growth and Anti-Growth: The Citizen's Perspective

by Harold Goldblatt

In the past, sentiment in the Nation has largely favored population growth and economic development in the local community. The small town's proud boast was that it was "the biggest little city" in the region with a bright prospect for growing larger still. "Boosters" were wanted for this enterprise; "knockers" who were skeptical of the likelihood or value of future growth and development were advised to go elsewhere. Industries that were classified as "growth industries" merited prestige and investment; stable industries were labeled "deadheads." No-growth was assumed to be either the prelude to inevitable decline or a temporary lull in which past advances were consolidated in preparation for the next one.

During the past 10 years, however, growth and development have come to seem, in the estimation of many, less advantageous. Environmentalists and some economists have spoken against a rapid pace and mode of economic development, either because they evaluated net consequences as more costly than beneficial or because only ecological disaster could be foreseen from continued "plundering of the planet" by further industrialization and urbanization. Sociologists have perceived high rates of migration, (which accompany rapid community growth and development) as a cause and indicator of social disorganization in the local community.

The voice of the "average" citizen has not yet been heard on the issue of population control by local communities. To be sure, we have had



intimations of discontent. Public opinion polls, for example, have recorded a growing dissatisfaction with the great city at the very time that metropolitan areas have increased both in numbers and in size. That great size in cities is disfavored and intermediate sizes preferred implies the existence of an attitude toward continued population growth and economic development in the local community but does not spell it out. The data discussed here are from the National Opinion Research Center's "Continuous National Survey." The field work for the particular questions whose answers are reported was undertaken from September through November 1973, during three monthly "cycles" of interviewing. Precise percentages vary from one interview-cycle to another; they vary little, however, in order of magnitude. We sometimes report findings in qualitative terms sacrificing the precision of exact percentages for the benefit of a quick perception of the total picture.

Anticipations of Future Growth

Whether the population of their local community grows, stays the same, or declines is considered by the public to be an important issue—"very important" to almost half the sample (47 percent) and "moderately" so to an additional 40 percent. Slightly more than three-quarters of the sample anticipate additional growth in the 10 years from 1973. Of these, more anticipate "rapid" growth than anticipate "slow" growth. To be sure, personal meanings are assigned the word "rapid" and "slow" growth by each respondent. Three out of four respondents anticipate continued population growth in their communities. Against this sizable majority are set fewer than a fifth of the respondents who believe the population of their communities will remain the same size, and fewer than a tenth who believe their communities will lose population.

What precipitated anticipations?

Past experience, in part. During the past 10 years, the communities of fully four out of every five respondents did grow in population—or, at least, were so perceived by their residents. An even higher proportion reported rapid growth during the 10 years past than anticipated there would be this much growth during the coming ten. The following table summarizes the comparison:

Table 1

Perceptions of Population Change in the Local Community

	during past 10 years	during next 10 years
Rapid growth	59%	47%
Slow growth	21	29
Stay the same	13	16
Lose population	7	8

Public Evaluations of Growth and No-Growth

The public sees growth as either rapid or slow. Slow growth of course means gradual change, more easily accommodated. Of those who anticipate this pace of change in the next 10 years, most (54 percent) consider it to be good, on the whole, for the present residents of the community. They outnumber those who anticipate that their community population will increase rapidly, and evaluate this prospect favorably: 64 percent against 47 percent. Slow growth is preferred not only to rapid growth, however, but to population stability as well. Fifty-two percent of those who anticipate no-growth in the local population evaluate this stability as

good, on the whole, for people now living in the community. Table 2 indicates that an actual decrease in the population of the local community would be experienced as bad by a clear majority—61 percent as against 24 percent who believe it would be a good thing for the people living here now. In the next 10 years, will the population here grow rapidly, grow slowly, stay the same size, or decrease? What is it they anticipate that leads to these evaluations: Whose oxen will be gored by change or no-change, and in what ways? What types of benefits will accrue? What costs?

The Benefits of Growth

There are two ways to ask about costs and benefits of anticipated growth in population. One, is to ask respondents to volunteer their thoughts on the subject. The other is to ask them, pointedly, whether they expect such and such. About 32 percent of one sub-sample volunteered the opinion that growth would be good for business: It would bring more jobs into the community and it would improve wages. This is by far the most common of the benefits that people think of spontaneously. A few volunteered the opinions that bigger communities are more exciting places to live in, that growth brings into the community a higher class of people, and that bigger communities have more influence on State and Federal governments. But these latter volunteered comments were relatively few (6, 7, and 2 percent, respectively).

The other sub-sample was asked pointedly, for example, whether or not growth in the population would

Table 2

Feel this will be. . .	Will probably grow rapidly	Grow slowly	Stay the same size	Probably decrease
good	47%	64%	52%	24%
bad	38	23	25	61
are uncertain	15	13	23	15

increase the number of jobs in the community, and 55 percent answered that it would.

If they are asked about them specifically, the number of people who perceive benefits as other than better paying jobs is substantial. For example, fully 79 percent, four out of five, said "yes" when asked whether growth in the community's population would mean more ways to have fun. (The question goes on to specify what it means by "fun"—more shops, restaurants, and people to meet.) Almost as many people, 71 percent, said "yes" when asked whether an increase in the population would bring to the community more government services, for example, in the number of good roads and schools, and more buses and other facilities for public transportation, according to 56 percent. There would also be more social tolerance, according to 57 percent, an easier acceptance of people of different backgrounds and opinions. Those who anticipate this byproduct of population growth are probably correct. An enlargement in the size of the community is believed by sociologists to bring with it increasing social heterogeneity of the population and, along with this, increasing diversity in public opinion. An allied benefit, anticipated by a minority of 33 percent is an increase in privacy. Hence, it "would be easier to keep your business to yourself."

The Disadvantages of Growth

Growth brings disadvantages as well as advantages. As we have seen, more people favor population growth than oppose it. Yet, paradoxically, more disadvantages to population growth are perceived than advantages. Consider first the disadvantages that are spontaneously mentioned by the respondent in reply to the general question, "Why do you feel [as you do] about change in the size of the community?" They say, in order of decreasing frequencies, that community services would be overloaded, 16

percent; automobile congestion and pollution would be increased, 15 percent; taxes and the cost of living would go up, 10 percent; a lower class of people would come in, 8 percent; and, unemployment would increase, 7 percent.

When, the respondent is confronted with each specific disadvantage in turn, and asked whether he personally considers that growth would indeed bring the particular disadvantage to his community, the percentages who assent increase considerably. Fully nine out of ten respondents expected an increase in pollution and in traffic congestion and almost as many that such community services as schools, water, and sewerage lines, and welfare programs would be overloaded. More than seven in ten anticipated that overcrowding would reduce space for recreation and the same proportion that taxes and the cost of living would go up. Six in every ten felt the friendly, small-town atmosphere in their communities would be diminished and that unfriendliness could increase—the obverse of the benefit of increased tolerance for people of different backgrounds and opinions.

Government's Role in Growth Management

Does government have a role in managing the growth of the community or should it stay out of this matter? If there is a role for it, what should government attempt? Of the activities it might attempt what are the chances for successful intervention? The conservative attitude toward government intervention has traditionally been that, in economic matters, that government is best which governs least. The traditional liberal orientation has been to underscore social inequities in the manner in which an unregulated market may function in the distribution of goods and services. Somewhere between polar extremes in economic philosophy is where most of the sample

stands.

A question of whether government as such (not differentiating between Federal, State, and local level) "should have an influence in planning the size of the community" divided the sample almost evenly between those favoring managed growth and those opposed to government intervention in planning the size of the population: 52 for, 48 against. A short list of possible governmental activities to influence the future size of the community was read to those who favored a role for government in managing the size of the population. Would it be good or would it be bad for the community if government were to encourage the location of new industries in town? Encouraging industrial migration is one of the ways in which government has encouraged economic growth. By three to one the majority favored this.

New industry in town might of course, require an enlarged labor supply. Quite consistently, the same proportion judged that it would be good for the community "to encourage working-class people to come to live here." The other 25 percent may have believed the new industry should employ the present working-class population rather than recruit newcomers to the community.

Another consequence of industrial growth might well be a need for more housing to serve the additional population attracted by new industry. But the proportion of people opposed to "discouraging contractors from building housing developments" drops to 56 percent, still a majority, to be sure, but a smaller majority by 19 percent than the three-quarters who favored more industry and more workers.

Finally, those favoring a role for government in planning the size of the community divided 52-48 percent on whether "encouragement to middle-class blacks to come and live here" would be good for the community or bad, a percentage which also contrasts with the much larger one

favoring additional working-class people. The drop in percentages from 75 percent (favoring more working-class people) to 52 percent (favoring more middle-class blacks) is worth attention. The racial question was worded to distinguish between low-income "tax eating" people, on the one hand, and the racial category of blacks on the other. The question asked the respondent about blacks who would be sufficiently well-to-do to pay their own way in his community. Would the respondent be receptive or negative to government policies encouraging such blacks to come here. "Are you," that is, "opposed even to middle-class blacks?" That 23 percent fewer people would encourage middle-class blacks than would encourage working-class people to come may mean simple race prejudice but—and this is a new, unconsidered possibility—it may mean that many working-class whites would prefer additional working-class blacks to middle-class blacks, that is, would prefer class equals rather than blacks who are superior to them in social and economic position. This is a point not much considered in the sociological literature on racial desegregation within class categories.

A question raised by these figures is the relationship of the pro-growth or anti-growth orientation to advocacy or opposition to government intervention in the planning process. On the whole, who favors a planning role for government? Those who favor population growth and wish government actively to encourage it or those who oppose additional growth and wish government to take no active role in managing the size of the community? The simple percentages we have cited clearly suggest that those favoring a planning role for government are more often pro-growth. As we have shown, the majority would wish government to encourage industrial migration and working-class and black middle-class migration into the community and

would not discourage contractors from building housing developments to accommodate the influx.

Can Local Government Do the Job?

What is the competence of local government in this matter? Can local government do a good job in influencing the population size of the future community without additional regional, State, or Federal activity to support it? The vote splits 56-44 in favor of local action only, the majority subscribing to the opinion that "local government can do a good job," the minority to the opinion that "there will be a need for additional regional, State, or Federal action." But public opinion is less laudatory in its evaluation of the job local government is doing in land use planning. The question as worded and the replies in percentages are given in the following table:

Do you feel that the local government is doing a good, fair, or a poor job of zoning and planning for the ways that land will be used in the future of your community?

Table 3

	Percent
A good job	30
A fair job	39
A poor job	21
Don't know	9
Local government does no zoning and planning	1

The issue in this table is whether to construe "a fair job" as meaning, to the 39 percent who gave this answer, a satisfactory evaluation or an unsatisfactory one. Another way of stating the interpretive problem is whether to read the table as telling us that "fully" 30 percent of the sample believe local government is doing a good job in land use planning or that "only" 30 percent of the sample believe this. Is 30 percent a high or a low number? The issue is resolved by comparing this number with those

given by the same sample to other evaluative questions. It then becomes very clear that local government is not given a high rating for its zoning and planning function. For example, a series of questions asking for evaluations of neighborhood facilities and services elicited ratings of "good" from the following proportions of respondents:

Please tell me whether facilities or services in your neighborhood are good, fair, or poor, or not available at all.

Table 4

	Percent "good"
Junior high school	56
Senior high school	57
Elementary school	67
Garbage collection	69
Trees, grass, and flowers in the neighborhood	75
Speed with which the Fire Department responds to calls	77

The relatively low regard that public opinion has for local government's capability in zoning and planning the future use of land in the local community is almost certainly closely related to its judgment on the protection of critical environmental land uses. The question as asked was whether "owners of lands which are very important to our environment, such as ocean beaches or forests, should not be allowed to build such things as housing developments or resorts on them." (The question was asked about the use of land anywhere, not necessarily in the respondent's own community.) The opinion expressed by the public, 61 percent against 39 percent, was that "owners of such lands should be left free to develop their property as they wish." □

Mr. Goldblatt is an urban sociologist, Urban Program Coordination Staff, HUD Office of Community Planning and Development.

"It is not easy to sum up the United Nations HABITAT Conference held in Vancouver, Canada. Nevertheless, HABITAT clearly opened up new opportunities for real estate professionals around the free world. It opened up many opportunities for realtors. While today most of us are deeply concerned with what is going on around us in our home town areas, we may very well be called on to extend our professional concern in the years ahead to other nations around the world."

—Philip C. Smaby, President,
National Association of Realtors (NAR)

"Historically, the majority public has viewed the policeman as 'society's guard.' Acting in this role, the uniformed patrolman has more or less personally accepted the use of force and formal authority to achieve the objective of protecting life and property.

"But on closer examination, the police officer's role must be extended far beyond that 'guarding' function. Because the police department is the only Government service agency that remains open 24 hours a day, 365 days a year, the public has come to accept it as the primary contact for a myriad of emergencies.

"In short, the police officer's role has become more like a service agent's than a law enforcer's.

"A 1975 study by the Law Enforcement Assistance Administration indicates that approximately 80 percent of the law enforcement officer's time is spent in the area of social services. The study cites New York City as just one example. In 1973, only two out of every 10 of the seven million calls for New York City police assistance involved actual or threatened crime or violence."

—Ben Holman, Director, Community
Relations Service, U.S. Department of
Justice, speaking to a Conference of
Black Police Administrators,
Arlington, Va., September 8, 1976

"Housing is basic to daily life.

"We need to create a new society with more cooperative methods among people. Women need to use a coalition approach."

—Dorothy Height, President,
National Council of Negro Women,
speaking at the HUD Housing Conference
for Women, Rosslyn, Va.,
April 5, 1976

"Families planning to buy their first home in the coming months should find a wide variety of both new and existing homes from which to choose.

"Mortgage financing should also be readily available to qualified buyers, judging from the record inflows of

savings deposits to thrift institutions recently. A good portion of these funds will find investment outlets in home mortgages.

"On the production side, home construction starts are up generally and permits for future starts are being obtained in increasing numbers.

"These favorable conditions reflect the continuing improvement in the home building and home financing sectors of our economy."

—James L. Young, HUD Assistant Secretary
for Housing and Federal Housing
Commissioner, Washington Post,
September 11, 1976

"The key to successful apartment management is communication. Getting the word out on why rent increases are needed or how rent control will affect the renter's well-being is important for survival of the apartment management industry.

"But, the No. 1 problem facing the apartment industry today is rent control. There is a need for education of tenants that rent control is not the piece of apple pie they may think it is. What renters advocating a freeze on rents fail to realize is that someone has to pay for revenues lost to municipalities because of abandoned buildings lost to rent rolls. The tax burden falls on the single-family homeowner who has to pay for the municipal services. Rent control also limits the services a renter will receive, which in turn leads to deterioration and decay. New York City is a prime example of this."

—Joseph Yousem, President, Institute of
Real Estate Management (IREM),
Professional Builder, July 1976

"Here at HUD the housing needs of the disabled are becoming more and more apparent. As accessible housing programs continue to surface throughout the Nation I'm quite certain that the number of disabled persons who can utilize such programs will continue to grow. While there still exists a need for continued policy and direction, today there is an ever increasing awareness and sensitivity to the housing needs of the disabled. As more of a leadership role is assumed by HUD, success will be achieved through a positive-constructive approach which emphasizes cooperation and minimizes confrontation. Realistic approaches will receive greater significance as the concerns of the disabled, Federal agencies, and the respective industries are each taken into consideration in determining future direction."

—David Williamson, Office of Programs for
the Elderly and Handicapped, HUD,
David Williamson Day at HUD,
August 23, 1976

The Hill Builds for Tomorrow

by Robert Cassidy

Editor's Note: The following article is reprinted with the permission of Planning Magazine, Aug. 1975.

The Hill, St. Louis' Italian section, is a perfect example of a neighborhood that has fought to maintain its character, and won. Just a few years ago the Hill was threatened by outside forces that could have changed it dramatically. That these forces were overcome is a testimonial to the energetic and ethnically proud people who live there.

Walk the streets of the Hill today, and you'll see a model urban neighborhood. The modest bungalows that make up most of the housing are virtually all in perfect condition or are being fixed up. The streets are tree-lined, the hedges neatly clipped. On any Saturday the whirr of the lawnmower is heard across the land. Even the fire hydrants are red, white, and green, the colors of Italy.

Local institutions enhance the urban feeling of the Hill. There's Rose's Bocce Garden, where lawn bowling as practiced in the old country is still popular. The Italian restaurants are unbeatable, as one might expect, and the bakeries serve cannoli, that rich pastry with the wonderful cheese filling, and other specialties. There are a couple of sausage factories, and until a few years ago, a spaghetti factory, which burned down. The centerpiece of the community is the Catholic church. In short, there is a kind of unity and perfection—everything in order, everything in its place—that lends an aura of the medieval city to the Hill. Lewis Mumford would be very happy there.

On a walking tour of the Hill, I stopped in front of one house to take a picture. A woman in her 60s came out. "You like?" she asked, pointing to the new aluminum siding. I



Statue of "The Italian Immigrants" stands in front of St. Ambrose Church.

nodded yes. "I'm very proud of my home," the woman said, beaming happily at the little white bungalow.

On the Hill, their motto is "Pride builds." That theme has kept the community whole through a series of crises that would have ruined a less cohesive neighborhood. Instead of succumbing to adversity, the 1,500 families there have created one of America's great neighborhoods.

The guiding light behind this movement is Father Salvatore Polizzi, a 44-year-old Roman Catholic priest. In his 15 years with St. Ambrose parish, Father Polizzi has built a fledgling "neighborhood improvement association" into an effective community organization. What makes this organization unique is that it relies totally on its own resources, with virtually no help from the city or any other government or from any other outside source. And, as we shall see, it has provided numerous services to the people of the Hill, at no cost to them or to the city.

Father Polizzi understands his people—even if he is a Sicilian in a Milanese neighborhood. During the afternoon I spent with him cruising the town, I was introduced to virtually everyone within sight. As we were driving around, he suddenly stopped the car to quiz a group of boys on their way to the zoo. Playing hooky? Not at all; it was a holiday for public school children. Father Polizzi handed them a five-dollar bill and told them to have a good time, but warned them about molesters that have been rumored in the rest rooms.

Father Polizzi is something of a dreamer, a schemer, and a lovable kook. For instance, he may get a brilliant idea in the middle of the night, ask a dozen people to meet him at his office first thing in the morning and, when they dutifully show up, forget why he has assembled them. But because of his innumerable contributions, the people on the Hill have learned to live with his quirks.

"August 15, 1965, will always remain a special day to us," said Father Polizzi. The Hill had been chosen to be a host neighborhood in St. Louis's Bicentennial, and the people were told to expect as many as 8,000 visitors for their first neighborhood festival, on the Feast of Our Blessed Lady. Instead, 80,000 people showed up to share the parade, the fireworks, and the Hill's hospitality.

August 15, 1965, was also the day the Hill found out that a local construction company wanted to build a drive-in theater in the neighborhood. "Drive-in theaters are a catastrophe—X-rated movies, contraceptives all over. We didn't want that," said Father Polizzi.

The year before, the neighborhood had formed the Hill Improvement Association, a nonpolitical "cleanup" group. With the threat of the drive-in, however, the Hill "started organizing more effectively," in Father Polizzi's words.

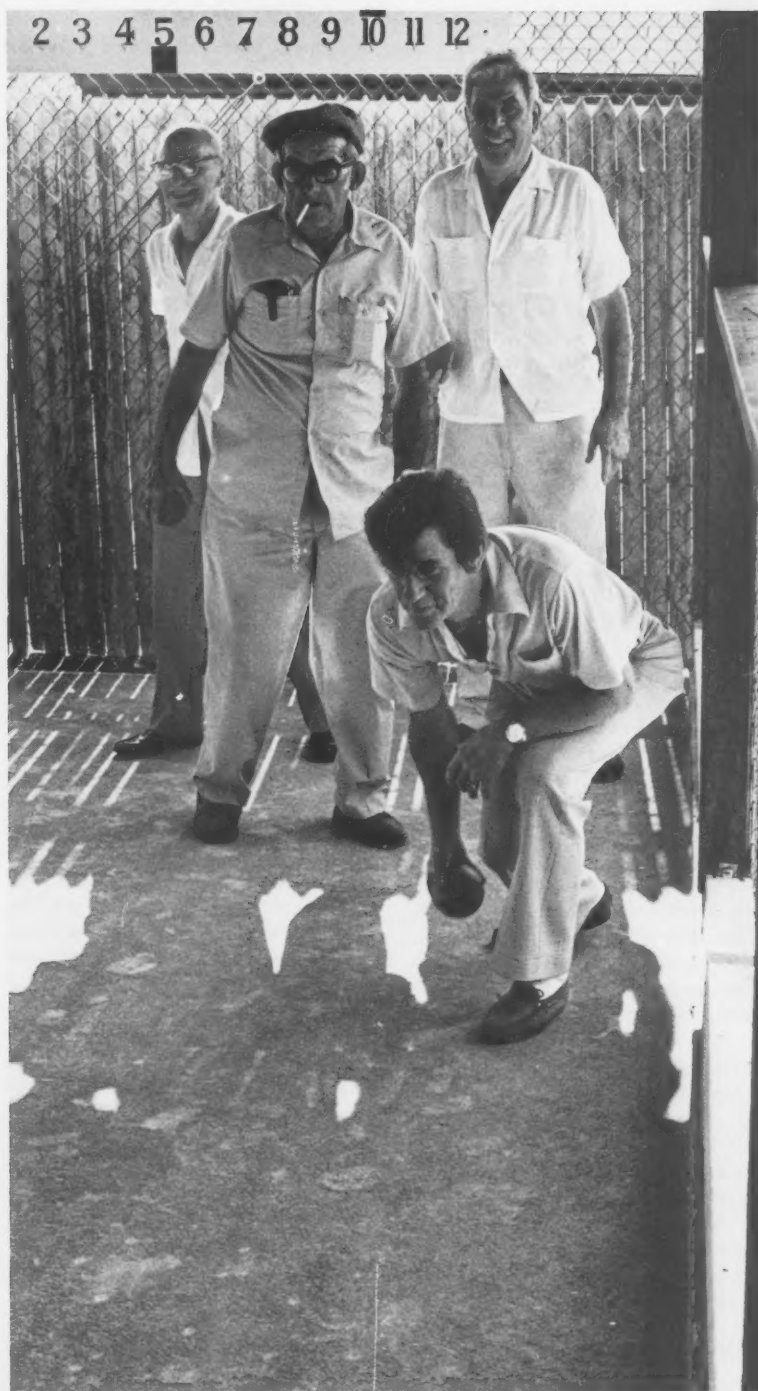
There was meeting after meeting, rally after rally. Father Polizzi brought in the mayors of two local suburbs to document the problems they had had when drive-in theaters were built in their towns. He called a press conference and had a 70-year-old woman tell the TV cameras—in Italian, with simultaneous translation—that she would stand in front of the bulldozers before she would let the drive-in be built. The negotiations were complicated because the family that owned the land was Italian, although they were not from the Hill. "We even tried to buy the land from them," Father Polizzi said.

Finally, there was the big confrontation in the office of Mayor Alphonso J. Cervantes. The land-owners gave in. No drive-in would be built. Today, a Howard Johnson's motel-restaurant stands on the site—and that's perfectly fine with the Hill. "We don't try to stop everything. People have a right to make a living. We just didn't want a drive-in in our neighborhood," Father Polizzi said.



That victory had only just been won when another crisis hit—the construction of Interstate 44. The highway had been on the books since 1957, but not till the mid-1960s did the State highway department decide that its path would take it right through the middle of the Hill. The Hill did not oppose its construction, but they did get aroused because the highway engineers wanted to take nine homes and a section of parkland from a playground to construct a ramp. Father Polizzi had to take a delegation to the State capital in Jefferson City to get that part of the highway plan killed. But when he wanted a vehicular overpass built to connect two portions of the Hill that would have been severed, Father Polizzi went straight to the then U.S. Secretary of Transportation, John Volpe. Volpe's aides argued that the State had spent \$50,000 on work for the old plan. Whereupon Father Polizzi whipped out his checkbook and wrote out a check for \$50,000 to cover costs. Needless to say, the Federal officials were impressed with the sincerity of the people from the Hill; the vehicular overpass eventually was included in the final package.

These battles showed that the Hill could deal effectively with threaten-



UPPER LEFT—This home is one of many on the Hill that have been refurbished.
 ABOVE—Hill residents play Bocce—a popular game in the community.

ing forces, but Father Polizzi saw that the community was fighting a rearguard action. "We decided we needed something more than an improvement association," he said. A permanent structure was needed.

In 1970, the Hill 2000, Inc., was formed. The name is significant because the people believe the Hill will be as pleasant in 2000 as it was in 1970. In five short years, the Hill 2000 has achieved a remarkable record of service to the community—and it has done so with very little, if any, outside help. It relies almost totally on its own resources, particularly the profits from the annual street festival, which last year drew 150,000 people. "All year long, our women work three nights a week making things for the festival," said Mary Ronzio, a Hill resident who's spent many hours making artificial flowers for sale at the festival. The Hill 2000 organization buys the materials, and the people supply the labor—and all the profits go back into activities and programs for the Hill. There won't be a Hill festival this summer, because everyone's making preparations for a special Bicentennial festival in 1976. "We're going to paint the fire hydrants red, white, and blue for that one," Father Polizzi assured me.

The profits are spent wisely. For example, the Hill 2000 has been able to get 850 trees planted in the neighborhood. When that old spaghetti factory burned down, the association bought the land and built a park on it. The organization has a job placement bureau so that local employers who have openings can get in touch with the unemployed. There's also a rental information program, geared at attracting young families back to the Hill. "We've cut our median age from 55 to 47 in the last 10 years," Father Polizzi said. In one case the association even bought a house that came on the market and sold it to a young family at a slight loss.

Everyone, young and old, works for the Hill. Father Polizzi gets

summer jobs for teen-agers, cutting lawns and cleaning attics; he calls it "rent-a-kid." The youngsters, in turn, kick back some of their pay to the Hill 2000, and that pays for a bus to take neighborhood youths on weekly outings during the summer. For their part, the retired men in the St. Vincent de Paul Society take turns driving the elderly and infirm to the hospital or to their doctors.

Recently, Hill 2000 has set up a separate entity, the Hill Housing and Education Corporation, to encourage home improvements. The corporation pays homeowners 10 percent of the cost of major improvements, up to a maximum rebate of \$500. Since August 1974, the corporation has made more than \$27,000 in rebates. Mary Ronzio, one of the seven members of the board of directors, said this means that at least \$270,000 in home improvements have been made. She cautioned, however, that the corporation is going to limit the rebates to permanent exterior improvements. "The money just went too fast," she said, because people got credit for things like carpeting.

Perhaps the best example of the people-to-people approach that characterizes the Hill is its aid program for the elderly sick. The program was the brainchild of Rosemarie Bianchi, 43. Mrs. Bianchi took care of an elderly neighbor for 18 months before the man died. "I realized how much a person who is caring for a patient has to go through. I thought it would be good for the Hill 2000 to help them," Mrs. Bianchi said.

For the last year and a half Mrs. Bianchi has run the program out of her home. The Hill 2000 pays for materials (nearly \$1,200 worth so far), including disposable bed pads (9,600 have been given away), hospital gowns, hospital beds, canes, trusses, commodes, and bath rails. Thirty-two elderly people have received this help. "They keep wanting to pay, but there is no charge. These people are entitled to it, because they made the Hill," Mrs. Bianchi said.

She has had the sad experience of seeing 14 of her patients die. "My children do all the work," Mrs. Bianchi said modestly. John, 20, started delivering the supplies; now Jim, 18, drives the van, with 16-year-old Bob helping. Debbie, 11, runs errands for the old people on the block. "There's no generation gap in this house," Mrs. Bianchi said.

That's the kind of pride in working together for a common goal that puts the Hill a step above most other communities in the United States. It seems that everybody cares. Says Alderman Al Giuffrida, "I don't want anybody doing anything to hurt this neighborhood." When some absentee landlords threatened to knock down single-family homes to put up apartments, Giuffrida went before the city's Board of Aldermen to have the zoning changed back to one-family—and 300 of his neighbors from the Hill were there to back him.

"We have worked out an understanding that the neighborhood, by itself, would not be able to keep the Hill stable. We use the church as the foundation and work it like a triangle—the church at the base, the politicians on one side, and the people on the other," said Paul Berra, the city treasurer and chairman of the Democratic Central Committee. "The elected officials here feel that they are part of the neighborhood—that they were born here and they're going to die here!"

This is not to imply that everything is perfect on the Hill. For one thing, even though the community has been able to bring some young families in, there is not enough new housing for all the families that want to live there. One possible solution is to build a high-rise tower for the elderly, on land next to the church, on the theory that if elderly homeowners move out of their houses into the tower, those homes will be made available to young families. But there are two major problems with this idea. First, to build the tower, the Hill 2000 organization would

probably have to use Federal housing subsidies, which would violate the principle of relying on local resources. Second, to be economically feasible, the tower would have to be taller than St. Ambrose Church, a prospect that does not sit well with the devout Catholics of the Hill.

The other problem concerns the very same quality that makes the Hill work—its tight ethnic and religious nature. Yes, people care about one another, but sometimes there is a thin line between caring and being a busybody—worrying too much about the neighbor's problems, so that one winds up butting into his affairs. The peer pressure is tremendous. In the case of the rezoning of apartment land, for example, one family spoke out against it—but felt compelled to back down because 300 other Hill residents would never have forgiven them if the rezoning had not gone through. And there is the exclusionary aspect of maintaining such a tight-knit community. "The American ideal is to have a mixture, not an ethnic community," said Louis Berra, Jr., secretary to Mayor John Poelker and advisor to the Hill 2000 group. But Berra doesn't think a mixed community would work on the Hill. "Do we bring in non-Italians? I don't think so. It's not going to work any better." Judging from the Hill's excellent record of civic progress, it's hard to argue with him.

Years ago, the only reason any outsider ever visited the Hill was to see where Yogi Berra and Joe Garagiola were born. The people of the Hill are proud of the achievements of their two baseball heroes. But they have something more to boast about these days. They have kept their community whole and made it prosper, and they have done so with a sense of dignity, pride, and charity.

They may seem old-fashioned, perhaps a little corny, but there are plenty of neighborhoods across the country that could use a dose of that medicine. □

lines & numbers

Housing Demolitions in the Nation's Largest Cities, 1970-1975

The Bureau of the Census recently issued the eighth annual report on the demolition of residential structures in selected cities and in SMSA's (Standard Metropolitan Statistical Areas). The report provides information for 326 cities having a population of 50,000 or more issuing demolition permits for one or more housing units or residential structures during 1975. These cities are part of a 14,000 place permitting issuing universe reporting to the Bureau of the Census. Demolitions account for only a portion of all housing units which disappear from the housing inventory. However, demolitions covered by permits apparently represent a substantial part of the total units lost. For the 3-year period 1970 to 1973, demolitions accounted for 39 percent of unit losses from the housing inventory according to the 1973 Annual Housing Survey.

The 10 largest cities accounted for 32,366 unit losses in 1975, for 27 percent of the U.S. total, and 38 percent of the total for Central Cities of SMSA's. A comparison of the housing units authorized for demolition to housing units authorized for new construction (building permits issued) in 1975, indicates that in 7 out of 10 of the largest cities demolitions exceeded new construction. The rate of demolitions during 1975, compared to the period 1970-1975, appears to have accelerated in most of these cities, particularly in Cleveland and Detroit. This situation may be more of a result of declining production in central cities.

According to an analysis of 407 Housing Assistance Plans submitted to HUD under the Community Development Block Grant Program, most of the communities reported that a great deal of their substandard housing could be salvaged through rehabilitation. Only 2.6 percent of their remaining substandard units were considered suitable for demolition.

**Comparison of Housing Units Authorized for Demolition
to Housing Units Authorized for New Construction, Selected Cities,
1975 and 1970-1975**

City	1975			1970-1975		
	Demolition	New Construction	%	Demolition	New Construction	%
New York	11,420	7,049	162	68,717	126,258	54
Chicago	5,477	1,939	282	37,322	35,677	105
Los Angeles	1,709	7,367	23	18,265	71,290	26
Philadelphia	1,816	1,706	106	11,649	22,026	53
Detroit	4,410	1,206	366	27,512	9,466	291
Houston	780	8,685	9	4,694	98,588	5
Baltimore	1,629	1,294	126	10,925	9,517	115
Dallas	1,791	3,134	57	5,790	52,550	1
Washington, D.C.	510	446	114	5,087	7,292	70
Cleveland	2,824	370	763	13,723	6,712	204

Housing Units Authorized for Demolition in Permit-Issuing Places: 1975

	Total	% of Total
United States	121,972	100
Inside SMSA's	107,499	88
Central Cities	85,874	70
Outside Central Cities	21,625	18
Outside SMSA's	14,473	12

Source: Bureau of the Census, Construction Reports C45-1975. Department of Housing and Urban Development, Community Development Block Grant Program, First Annual Report.

—Prepared by Robert Ryan
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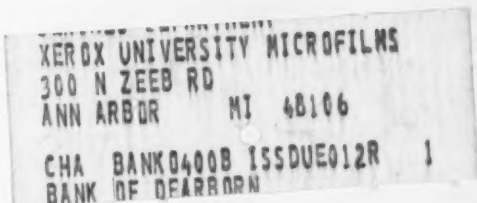
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